

FOOD FOR THOUGHT: VALUE-ADDED AGRICULTURAL PRODUCTION AND BUYING LOCALLY

A Final Report on the Senate Joint Resolution 13 Study
of Value-Added Agricultural Production

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Executive Summary

In Montana, where cattle plus calves outnumber people more than 2 to 1 and by many measures agriculture edges out tourism as well as oil and natural gas production to be Montana's top industry, great possibilities exist for enhancing value-added food production and the potential for buying locally. However, difficulties arise from the same vast lands that aid agriculture and ranching. The vastness of the state makes local distribution and collaboration difficult.

Over the years globalization, economies of scale, and other changes to the economy have seen Montana's food processing industry shrink. Senate Joint Resolution No. 13 (SJR13), assigned to the Economic Affairs Interim Committee (the Committee) in the 2007-2008 interim, sought to determine components of model programs and policies in other geographic regions, barriers to value-added food production in Montana, and recommendations for programs and policies that support value-added production in ways that keep money circulating in Montana communities, sustain the state's natural resources, and provide a balanced, fair approach to all stages in the chain of food production. See Appendix I for a copy of SJR 13.

Over the 2007-2008 interim the Committee heard from entrepreneurs involved in value-added agriculture, researchers, representatives from small and large industries that use Montana grains, community college and regional economic development representatives, plus people endorsing farmers' markets and farm-to-college programs. Because agricultural or commodities-oriented cooperatives are approaches that can be used for commercializing local production, the Committee also heard from the executive director of the Montana Cooperative Development Center about cooperatives and how they work. The Committee also toured the Mission Mountain Food Enterprise Center in Ronan as part of its May meeting.

These activities implemented the SJR 13 work plan adopted by the Committee, which included:

- Panel discussions in Miles City and Great Falls plus presentations in Missoula and Ronan on activities involving farm-to-market efforts and barriers to value-added food production, including what producers, nonprofit organizations and relevant businesses consider necessary to expand, improve, or develop a food processing industry in Montana.
- Presentations by University of Montana graduate student Jessica Babcock on model programs from other states that encourage development of value-added food enterprises.
- Working papers on issues listed in SJR 13, recommendations for new legislation, if any, and revisions to existing statutes, if needed, and background reports on model programs and policies, all provided by Ms. Babcock as part of her graduate research and UM Associate Professor Neva Hassanein.

The work plan also said the Committee would receive a summary of impacts on the economy, society, and the environment of value-added agricultural programs and policies and a review of activities related to value-added production in states with geography similar to Montana's. These latter analyses will be part of this final report and were summarized in the initial Committee meeting by proponents of the SJR 13 study.

The following pages will be incorporated in the final report into a form that reflects the study points listed above. The material is provided by Ms. Babcock and Professor Hassanein.